GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Roads & Buildings Department - Design, Construction, Finance, Operation and Maintenance of Four Lanning of Narketpally – Addanki – Medarametala Road (SH-2) from Km 0.000 to 212.500 in the State of Andhra Pradesh under Public Private Partnership on DBFOT (Toll) Basis - Proposed change in shareholding of Concessionaire – Approval - Accorded – Orders – Issued.

TRANSPORT ROADS AND BUILDINGS (ROADS.V) DEPARTMENT

G.O.MS.No. 30 Dated: 27-06-2018
Read the following:-

Engineer –in-Chief (R&B) Admn, SHs, PPP, EAP & Managing Director, APRDC,Lr.No.302/NAM/PPP/2016/Change in Shareholding/101, dt:02.11.2017

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In the letter read above the Engineer –in-Chief (R&B) Admn,SHs, PPP, EAP & Managing Director, APRDC has informed that the Project work of "Design, Construction, Finance, Operation and Maintenance of Four Laning of Narketpally – Addanki – Medarametala Road (SH-2) from Km 0.000 to 212.500 in the State of Andhra Pradesh under Public Private Partnership (PPP) on DBFOT (Toll) Basis, was awarded to the Concessionaire(SPV), M/s NAM Expressway Ltd., promoted by a consortium comprising M/s. Ramky Infrastructure Ltd (50%) and M/s. IL&FS Transportation Networks Limited (ITNL) (50%).

2. As the project was in the united Andhra Pradesh earlier, now falling in both the Telangana State and the Residual Andhra Pradesh, a Tripartite supplemental agreement to the Concession Agreement was entered into by the Concessionaire and the Government of Andhra Pradesh [represented by Chief Engineer (R&B) CRN, PPP and Managing Director, AP Road Development corporation] and the Government of Telangana [represented by Engineer - in - Chief (R&B) NH, CRF, PPP& LWE Department, Telangana].

3. The Engineer –in-Chief (R&B) Admn, SHs, PPP, EAP & Managing Director, APRDC has further stated that the promoters of the Concessionaire i.e., M/s. Ramky and M/s ITNL have proposed to divest their entire shareholding in the Concessionaire, to the extent of 100% (One Hundred Percent) in aggregate to M/s. Cube Highways and infrastructure Pvt. Ltd., and it nominees.

4. The Engineer –in-Chief (R&B) Admn, SHs, PPP, EAP & Managing Director, APRDC has also submitted that the Cube Highways is a company based in Singapore, with the aim of operating a world - class portfolio of high quality highway and transportation infrastructure assets in India. Cube Highways is one of the largest Foreign Direct Investment (FDI) platforms dedicated to the Indian highway and transportation sector with committed equity capital of up to US$ 500 million to acquire and operate transportation assets in India. Cube is registered with Securities and Exchange Board of

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India (SEBI) as a Foreign Venture Capital Investor (FVCI). Cube Highways currently owns and operates 4 highway SPVs in India, namely, Jaipur Mahua Tollways Private Limited - 109 Km road (a part of NH 11, between the cities of Jaipur and Mahua in the state of Rajasthan), Mahua Bharatpur Expressway Limited - 57 Km road (a part of NH 11, between the cities of Mahua and Bharatpur in the state of Rajasthan), Western UP Tollways Limited - 78 Km road (a part of NH 58, between the cities of Meerut and Muzaffarnagar in the state of Uttar Pradesh), Andhra Pradesh Expressways Limited- 74 Km road (a part of NH - 7 between Kothakota in Telangana and Kurnool in Andhra Pradesh).

5. The Engineer –in-Chief (R&B) Admn, SHs, PPP, EAP & Managing Director, APRDC has also stated that the Independent Engineer (IE), has submitted certain remarks and the same were reviewed by the Coordination Committee in its meeting dt.04.02.2017 as per Article 10 of the supplementary Concession Agreement. After detailed discussions in the meeting, the committee has decided that, "after receipt of the unconditional recommendation of the IE, each state PPP wing shall recommend the proposal to the respective Governments considering the Concessionaire's proposal and IE's recommendations on divestment of entire shareholding, i.e., to the extent of 100% in aggregate". Accordingly, the IE has recommended to issue "In Principal Approval " to the concessionaire to cause " Change in shareholding of concessionaire".

6. Based on the recommendations of the Independent Engineer, the Engineer –in-Chief (R&B) Admn, SHs, PPP, EAP & Managing Director, APRDC has requested to consider the issue of the transfer of 100% change in shareholding in the Concessionaire to the Cube Highways as per the provisions in Concession Agreement and accord necessary approval for transfer of 100% change in shareholding of the concessionaire to the Cube Highways and revision in the project agreements for “Change in Shareholding in the Concessionaire" for taking further action accordingly for the length of the Project road in Andhra Pradesh State. The same proposal was submitted by the Engineer - in - Chief (R&B) NH,CRF, PPP& LWE Department, Telangana State to their Government for approval for the corresponding stretch of NAM road in Telangana State.

7. Government, after careful examination of the matter, hereby agree to the request of the Engineer-in-Chief (R&B) Admn, SHs,PPP, EAP & Managing Director, APRDC and accord “In principle” approval for the transfer of 100% change in share holding in the concessionaire to the Cube Highways as per the provisions in Concession Agreement and revision in the project agreements for “Change in Shareholding in the Concessionaire”, subject to condition that final approval will be given only after complying with all the recommendations of the Independent Engineer given vide its letters dated 07.10.2016 & 11.09.2017 and also after review and recommendations of the Technical committee.

8. Further a technical committee with the following members, is hereby formed to oversee the transition in ownership and ensure that the acquirer,

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M/s Cube Highways, complies with all the recommendations of the Independent Engineer given vide letters dated 07.10.2016 & 11.09.2017 and also complies with all the conditions in the Concession Agreement and the Project Agreements.

i) Engineer - in - Chief (R&B) SH & MD, APRDC
ii) Engineer - in - Chief (R&B) Administration, NH & CRF
iii) Representative of the Finance Department not below the rank of the Deputy Secretary
iv) Representative of the Law Department not below the rank of the Deputy Secretary.

9. The Engineer-in-Chief (R&B), SHs, PPP, EAP & Managing Director, APRDC shall take further necessary action in the matter accordingly.

10. This order issues with the concurrence of Finance Department vide their U.O.No.17023/1/FMU-TR&B/2018, Dt.23.03.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

NEERABH KUMAR PRASAD
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Engineer-in-Chief (R&B), SHs,PPP, EAP & Managing Director,
APRDC, Vijayawada.
Copy to
P.S.to Hon'ble Chief Minister
P.S.to Hon'ble Minister (R&B)
P.S. to Special Chief Secretary to Government, T,R&B.
SF/SC

//FORWARDED :: BY ORDER//

SECTION OFFICER